

## Message Text

UNCLASSIFIED

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12  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 019556

R 261115Z NOV 76  
FM AMEMBASSY KATHMANDU  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 6809

UNCLAS KATHMANDU 4899

E.O. 11652: N/A  
TAGS: BENC ECRE NP  
SUBJECT: MAJOR PROJECT: HETAURA CEMENT PLANT

REF: KATHMANDU A-30, STATE A-5401

1. ASIAN DEVELOPMENT BANK IS EXPECTED TO APPROVE \$39.5  
MILLION LOAN FOR SUBJECT PROJECT ON NOVEMBER 29. TOTAL  
PROJECT COST NOW ESTIMATED AT \$59.1 MILLION. GON WILL  
FINANCE BALANCE OF COSTS.

2. STRONG INTEREST IN PROJECT IS BEING EXHIBITED  
BY KAISER ENGINEERS AND BY MORRISON-KNUDSEN, BOTH OF WHICH  
HAVE SUBMITTED PREQUALIFICATION MATERIAL TO GON PROJECT  
AUTHORITIES (HETAURA CEMENT INDUSTRIES LTD). FULLER CO.  
OF CATASAUQUA, PA., AND RIBLET DEVELOPMENT CO. OF SPOKANE,  
WASH., ARE ALSO FOLLOWING PROJECT FROM ANGLE OF EQUIPMENT  
SUPPLY. PROJECT CONCEPTION CALLS FOR A "TECHNICAL ADVISOR"  
(ENGINEERING CONSULTANTS) AS WELL AS "ENGINEERING CONTRACTOR"  
(CONSTRUCTION MANAGER). AT THIS POINT, KAISER ENGINEERS IS  
PRIMARILY COMPETING FOR THE TECHNICAL ADVISOR CONTRACT,  
WHILE M-K IS TRYING FOR THE ENGINEERING CONTRACTOR FUNCTION.  
IF KAISER FAILS TO GET THE CONSULTANCY JOB, THEY MAY THEN  
GO FOR THE CONSTRUCTION MANAGEMENT POSITION, THUS BECOMING  
COMPETITORS WITH M-K. PREQUALIFICATION LIST FOR TECHNICAL  
ADVISOR WILL BE FINALIZED IN EARLY DECEMBER, WITH CONTRACT  
TO BE AWARDED BY FOLLOWING MARCH. TECHNICAL ADVISOR WILL  
THEN ASSIST IN PRE-QUALIFYING ENGINEERING CONTRACTOR  
CANDIDATES, WITH AWARD OF THAT CONTRACT SCHEDULED TO BE  
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MADE BY OCTOBER 1977.

3. TWO OTHER ELEMENTS OF PROJECT WHICH MAY BE OF INTEREST TO U.S. FIRMS ARE INTENTION TO HIRE AN "INDEPENDENT EXPATRIATE PROFESSIONAL" TO ACT AS LIAISON OFFICER BETWEEN THE ADB AND HCL (BASICALLY TO BE ADB'S WATCHDOG OVER THE PROJECT); AND THE PLAN TO ENTER INTO A MANAGEMENT CONTRACT WITH A FOREIGN FIRM TO OPERATE THE PLANT FOR AT LEAST THE FIRST THREE YEARS AFTER ITS COMMISSIONING.

4. ALTHOUGH PROCUREMENT FOR THE PROJECT WILL BE RESPONSIBILITY OF THE ENGINEERING CONTRACTOR, IT WILL BE DONE IN ACCORDANCE WITH ADB PROCUREMENT GUIDELINES. AMONG OTHER THINGS THIS MEANS THAT ALL CONTRACTS FOR IMPORTED MATERIALS AND EQUIPMENT WORTH MORE THAN \$100,000 MUST BE MADE THROUGH INTERNATIONAL TENDER.

MAYTAG

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** CEMENT, DEVELOPMENT LOANS, PROGRAMS (PROJECTS)  
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**Copy:** SINGLE  
**Draft Date:** 26 NOV 1976  
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**Disposition Case Number:** n/a  
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**TAGS:** BENC, ECRE, NP, ADB  
**To:** COM  
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